

INVITATION FOR BID (IFB)

Bid Event Number: EVT0002099

Replaces Contract: 36875

Date Mailed: February 19, 2013

Closing Date: March 25, 2013, 2:00 PM

Procurement Officer: Tami Sherley

Telephone: 785-296-3122

E-Mail Address: tami.sherley@da.ks.gov

Web Address: <http://da.ks.gov/purch>

Item: Insurance, Property

Agency: Kansas Department of Corrections – El Dorado Correctional Facility

Location(s): El Dorado, Kansas

Period of Contract: 12:01 a.m., April 19, 2013 to 12:01 a.m., April 19, 2016
(See paragraph 8, page 7 for alternate bid information)

Event Number EVT0002099 was recently posted to the Procurement and Contracts' Internet website.
The document can be downloaded by going to the following website:

<http://www.da.ks.gov/purch/RFQ/>

It shall be the vendor's responsibility to monitor this website on a regular basis for any changes/addenda.

SECTION A

INVITATION FOR BIDS

1. Notice is hereby given that sealed proposals will be received for Property Insurance for the State of Kansas, Kansas Department of Corrections, El Dorado Correctional Facility. Bids will be accepted until 2:00 p.m., **March 25, 2013** at the office of the Director of Purchases, Procurement and Contracts, Department of Administration, 800 S.W. Jackson Street, Ste. 600, Topeka, Kansas 66612-1286. At said time, bids will be publicly opened and read aloud. Bids received after said time and date will be retained in the file unopened and not receive consideration.
2. Bids shall be submitted on forms furnished herewith. Additional bid forms and specifications may be obtained by addressing the Director of Purchases, as above.
3. Questions requesting clarification of the Bid must be electronically submitted to the Procurement Officer (E-mail: tami.sherley@da.ks.gov) noon on **March 7, 2013**. Responses to any questions will be issued via Addendum and posted at the following website: <http://da.ks.gov/purch>.
4. Wherever and whenever the word "State" is used, it shall mean the Committee on Surety Bonds and Insurance under whose authority this insurance will be purchased.
5. Bid results will not be given to individuals over the phone. Results can be obtained by attending the public bid opening. If unable to attend the public bid opening, bid tabulations can be obtained in person for \$3.00. Bid results can also be obtained by sending (do not include with bid), a check for \$3.00 payable to the State of Kansas, with a self-addressed, stamped envelope to the Kansas Procurement and Contracts, Attn. Bid Results/Copies, 800 S.W. Jackson Street, Ste. 600., Topeka, KS 66612. Please reference quote number on check. Copies of individual bids may be obtained under the Kansas Open Records Act by sending an e-mail to janet.miller@da.ks.gov or calling 785.296.0002, requesting an estimate of the cost to reproduce the documents and remitting that amount to the above address. Upon receipt of the funds, the documents will be sent.
6. Faxed bid responses are not acceptable.
7. CRIMINAL OR CIVIL OFFENSE OF AN INDIVIDUAL OR ENTITY THAT CONTROLS A COMPANY OR ORGANIZATION OR WILL PERFORM WORK UNDER THIS CONTRACT: Any conviction for a criminal or civil offense that indicates a lack of business integrity or business honesty must be disclosed. This includes (1) conviction of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract or in the performance of such contract or subcontract; (2) conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property; (3) conviction under state or federal antitrust statutes; and (4) any other offense to be serious and compelling as to affect responsibility as a state contractor. For the purpose of this section, an individual or entity shall be presumed to have control of a company or organization if the individual or entity directly or indirectly, or acting in concert with one or more individuals or entities, owns or controls 25 percent or more of its equity, or otherwise controls its management or policies. Failure to disclose an offense may result in disqualification of the bid or termination of the contract.

EQUAL OPPORTUNITY CLAUSE

Pursuant to K.S.A., Chapter 44, Article 10, this agreement entitled "Equal Opportunity Clause" is hereby incorporated in and made a part of any contract of insurance issued as a result of this bid proposal.

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor shall observe the provision of the Kansas Act Against Discrimination and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, national origin or ancestry:
- (b) In all solicitations or advertisements for employees, the contractor shall include the phrase "equal opportunity employer", or a similar phrase to be approved by the commission:
- (c) If the contractor fails to comply with the manner in which he reports to the commission in accordance with the provisions of section 15 (44-1031) of this Act, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part by the contracting agency:
- (d) If the contractor is found guilty of a violation of the Kansas Act Against Discrimination under a decision or order of the commission which has become final, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the contracting agency;
- (e) The contractor shall include the provisions of subsections (a) through (d) inclusively of the present section in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.

SECTION B
SPECIAL PROVISIONS

1. PROPOSALS:

Proposal forms submitted in response to this invitation for bids shall be delivered in a sealed envelope addressed to the Director of Purchases, Procurement and Contracts, Department of Administration, 800 S.W. Jackson Street, Ste. 600, Topeka, Kansas 66612-1286, and shall bear the name of the individual, partnership or corporation submitting the bid and shall be labeled, "Proposal for Property Insurance – El Dorado Correctional Facility."

Proposals shall be properly and completely executed on the proposal form furnished. (Section E, hereof).

Electronic modifications will be considered only if received prior to the closing time for receipt of proposals provided that written confirmation of the electronic modification, over the signature of the bidder, was mailed prior to the bid closing time. If written confirmation is not received within two (2) days after the closing time, no consideration will be given to the electronic modification.

2. AWARD OF CONTRACT:

Award will be made by the State to the lowest responsible bidder pursuant to the provisions of K.S.A. 75-3740 and 75-3740a.

3. REJECTION OF BIDS:

The State reserves the right to reject any and all bids. Bids may be rejected for failure of the bidder to comply with any of the requirements set forth in these specifications. The State may award on any of the requested options as may be deemed in its best interest. In the event all bids are rejected, the current insurer may be requested to extend coverage for a reasonable time necessary to permit coverage either to be re-bid or negotiated.

4. BINDING AUTHORITY:

The bidder shall have authority to bind coverage in accordance with his proposal.

SECTION C

SPECIFICATIONS

1. SCOPE AND PURPOSE

These specifications are intended to cover the purchase of Property Insurance for the Kansas Department of Corrections – El Dorado Correctional Facility, in accordance with the provisions of Chapter 74, Article 4703, Laws of Kansas.

2. QUALIFICATIONS OF BIDDERS:

Each bidder, pursuant to K.S.A. Chapter 40, particularly K.S.A. 40-214 and pertinent Insurance Department Rules and Regulations, shall be a duly authorized representative of the insurance company for which the bid is submitted and such company must be properly licensed and admitted to transact the insurance business herein described in the State of Kansas.

Any agent participating in this bid shall be affiliated with a licensed agency appointed by that insurer in the State of Kansas. In the event the agent is individually licensed by an insurance company, the agent shall be appointed by that insurer in the State of Kansas. The required appointment shall occur no later than 30 days after the bid closing date or the policy period effective date, whichever come first.

3. COVERAGE:

BASE BID:

The insurance policy shall afford All Risk Coverage (special form) on a blanket replacement cost basis at 100% of the values shown for buildings and contents in Section D hereof.

The insurance policy prescribed above shall be issued to comply with Article VII of the "Lease with Option to Purchase by and between the Kansas Development Finance Authority and the State of Kansas, Department of Corrections." (Copy will be provided to successful bidder upon request.)

Named Insured: Kansas Development Finance Authority
 State of Kansas, Department of Corrections

OPTIONAL COVERAGE:

- 1) As a bid option, the State is asking for quotations on "demolition" coverage at 80% coinsurance. The demolition coverage amount for the Buildings covered by demolition is listed in Section D.
- 2) Business Interruption - \$300,000.

4. CANCELLATION OF COVERAGE:

Pursuant to K.S.A. 75-4016, coverage purchased hereunder may not be cancelled by the insurance company or the Committee during the term of such contract unless a substitute contract upon the same terms and conditions covering the affected property is in force or the Committee determines the property affected no longer requires the coverage provided by the contract.

5. POLICY PROVISIONS:

Any insurance issued as a consequence of this invitation to bid shall be for a three (3) year period beginning 12:01 a.m., April 19, 2012, to 12:01 a.m., April 19, 2015. Each bidder shall agree to

furnish, if such bid is accepted, a binder of such coverage on or before the aforementioned date. Premium shall be quoted on an annual payment basis.

Bidders may bid an annual policy, annual policy (not to exceed three years) subject to annual rerate or annual policy terms with guaranteed three year premiums/rates. The State prefers three (3) year policy terms and may give preference to this option.

If a multi-year policy is being bid, an exact definition of how second and/or third year premium charges would be calculated must be identified.

As noted in Section B, Item 3, the State reserves the right to reject all bids. If such action is taken in subsequent bid offerings and of so requested by the State, the successful bidder for this offering agrees to extend this coverage for a reasonable time necessary to permit coverage either be re-bid or negotiated. Additional premium shall be calculated pro-rata based on the rates/premium applicable to the current policy. An appropriate endorsement shall be issued at that time which provides for the coverage extension.

BASE BID – Property Coverage is to be afforded by the following forms:

- (1) Commercial Property Conditions – Form CP 00 90 07 88
- (2) Common Policy Conditions – Form IL 00 17 11 98
- (3) Building and Personal Property Coverage – Form CP 00 10 10 00
- (4) Causes of Loss – Basic Form CP 10 10 10 00
- (5) Causes of Loss – Special Form CP 10 30 10 00
- (6) Kansas Changes Endorsement – Form CP 01 01 11 98
- (7) Calculation of Premium – Form IL 00 03 07 02
- (8) Kansas Changes Concealment, Misrepresentation or Fraud – Form IL 01 60 07 02
- (9) Kansas Changes – Cancellation and Non-Renewal – Form IL 02 61 07 02
- (10) Business Income Coverage Form (and Extra Expense) - CP 00 32 10 00

Note: Indicate on declarations that agreed value and replacement options apply.

Note: Any anniversary premiums shall be subject to the same discount, if any, applied to the first annual premium and such premium shall be subject to review by the State.

6. ALTERNATE DEDUCTIBLES:

The State requests a \$10,000 deductible per occurrence. Additionally, the State requests alternate deductible bids utilizing forms and providing coverage as set forth for the base bid, **except** the deductible shall be \$50,000 and \$100,000 per occurrence.

Depending upon which deductible is selected; the deductible clause contained in the prescribed forms shall be deleted and replaced by an "occurrence" deductible clause. The occurrence deductible shall be worded as follows:

NOTE:

The sum of \$_____ * shall be deducted from the amount of loss to property in any one occurrence resulting from any of the perils insured against. This deductible shall apply

separately to each building (including personal property therein), separately to personal property in each building and separately to personal property in the open (including within vehicles). The aggregate amount of this deductible in any one occurrence shall not exceed \$_____. This deductible shall not apply to insurance covering Business Interruption, Extra Expense, Rent or Rental Value or Leasehold interest.

7. FILINGS REQUIRED:

Since the terms and conditions of the requested policy as described above have been promulgated by the State Committee on Surety Bonds and Insurance, pursuant to law, as the provisions to be purchased, the policy furnished must contain such provisions. Any filings necessary to place this program in effect shall be furnished the Kansas Insurance Department in accordance with K.S.A. 40-216 and other applicable statutes and regulations.

8. ALTERNATE FORM BIDS:

In the event the company wishing to bid this program cannot provide coverage as specified herein, it will be permissible to submit other alternate proposals for consideration if such alternates provide coverage equal to or greater than that provided by the ISO forms listed in paragraph 5. Bids utilizing deductibles other than those specified must be clearly identified.

Policy forms and endorsements intended to be utilized by the company by virtue of the alternate bid must be consistent with filings made by or on behalf of the company. Any filings necessary to place the alternate bid into effect must be made pursuant to KSA 40-216 and other applicable statutes and regulations.

The company issuing the insurance under an alternate proposal permitted under this paragraph shall endorse the policy substantially as follows:

"It is agreed that any claim for loss under this policy will be settled on terms not less favorable to the State of Kansas than those which would have applied had the coverage been provided by the forms prescribed in Paragraph 5, Section C of the bid specifications under which this policy was issued."

9. CLAIM FACILITIES:

The company issuing the insurance shall have and maintain adequate claim facilities. Personnel from the claim service must be available as required by the State.

10. PREPARATION OF BIDS:

Bids shall be made on the proposal forms supplied herewith.

11. STATEMENT OF LOSSES:

The successful bidder must furnish itemized loss figures to El Dorado Correctional Facility and the Procurement and Contracts on an annual basis. Upon request of the State, such information shall be available electronically using Microsoft Excel or other approved spreadsheet application.

12. EXPERIENCE:

Loss runs are available by written request to tami.sherley@da.ks.gov .

13. The State reserves the right to request coverage for additional, appropriate property, if necessary, during the term of any policy issued as a result of this specification. Premium charge for such coverage shall be subject to the same discount, if any, applied to the first annual premium and such premium shall be subject to review by the State.

15. UNDERWRITING INFORMATION:

The current carrier is Houston Casualty Insurance Company for the period 4/19/2012 to 4/19/2013. The expiring annual premium was \$23,974.82, with a \$10,000 deductible for property and 1% wind deductible.

SECTION D

PROPERTY COVERED

See Attachment A for property data.

Department of Administration
Procurement and Contracts
800 S.W. Jackson, Ste. 600
Topeka, KS 66612

We submit a proposal to furnish Property Insurance during the contract period in accordance with specifications. **I hereby certify that (we) do not have any substantial conflict of interest sufficient to influence the bidding process on this bid. A conflict of substantial interest is one which a reasonable person would think would compromise the open competitive bid process.**

NAME OF INSURANCE COMPANY _____

NAIC Number _____

*NAME OF AUTHORIZED REPRESENTATIVE

(Individual - not agency) _____

NAME OF AGENCY _____

FEIN _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

TELEPHONE _____ FAX _____

E-MAIL _____

*Such individual must be authorized by the Kansas Insurance Statutes and Regulations to represent the above named Insurance Company.

The undersigned submits the attached bid to furnish the requirements during the contract period in accordance with the specifications and attests this bidder is not in arrears in taxes due the State of Kansas. I hereby certify that I (we) do not have any substantial conflict of interest sufficient to influence the bidding process on this bid. A conflict of substantial interest is one which a reasonable person would think would compromise the open competitive bid process.

Signature _____ Date _____

Typed/Printed Name of Signature _____ Title _____

SECTION E
BID SHEET

Base Bid - \$10,000 Deductible

A. Building, Contents and EDP Coverage:

<u>Amount of Coverage</u>	<u>Annual Rate per \$100</u>	<u>Annual Premium</u>
\$16,506,200 (100%)	\$_____	\$_____

Alternate Bid 1 - \$50,000 Deductible

B. Building, Contents and EDP Coverage:

<u>Amount of Coverage</u>	<u>Annual Rate per \$100</u>	<u>Annual Premium</u>
\$16,506,200 (100%)	\$_____	\$_____

Alternate Bid 2 - \$100,000 Deductible

C. Building, Contents and EDP Coverage:

<u>Amount of Coverage</u>	<u>Annual Rate per \$100</u>	<u>Annual Premium</u>
\$16,506,200 (100%)	\$_____	\$_____

Check which term is being bid:

Three (3) Year _____

Annual with Two (2)
One (1) -Year Renewals _____

One (1) Year _____

TERRORISM COVERAGE:

Pursuant to the Terrorism Risk Insurance Act of 2002, insurance companies are required to offer Terrorism Coverage and provide the premium for such coverage. The insurance company is also required by the Act to provide the insured with a disclosure form as a means to advise of the coverage offer and the premium charge as well as a formal rejection of the coverage. The insured must reject the offer in writing; or, if the insured does not pay within 30 days of notification, coverage will be considered rejected.

Indicate your charge for Terrorism Coverage \$_____